

Message Text

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ACTION EB-07

INFO OCT-01 IO-13 ISO-00 L-03 FRB-03 OMB-01 ITC-01 SP-02

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TO SECSTATE WASHDC 983

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E.O. 11652: N/A

TAGS: UNCTAD, AORG, UN

SUBJ: UNCTAD-FINANCIAL IMPLICATIONS OF RESOLUTION ON MEASURES
TO SUPPORT LDC COOPERATION

REF: (A) GENEVA 5240, (B) GENEVA 5128, (C) STATE 165623,
(D) STATE 160335, (E) USUN 2735

1. SUMMARY: GROUP B MET JULY 5 TO DISCUSS POSITION TAKEN
BY UNCTAD SECRETARIAT AND G-77 ON FINANCING OF G-77
MEETINGS UNDER TERMS OF UNGA RESOLUTION 3362. NO AGREEMENT
COULD BE REACHED ON UNIFIED GROUP OPPOSITION TO SECRETARIAT-
PSOPOSED "INTERMEDIATE" SOLUTION. HOWEVER, SUBSEQUENT
TO GROUP MEETING, SYG COREA LET IT BE KNOWN HE PLANNING
TO FINANCE G-77 JULY PREPARATORY MEETING IN GENEVA FROM
EXISTING REGULAR GUDGET FUNDS, THUS AVOIDING FURTHER CON-
SULTATIONS AND DISCUSSION OF ISSUES OF PRINCIPLE
RAISED BY GROUP B. GROUP B HAS DRAFTED LETTER RESTATING
ITS DIFFICULTIES AND CLEARLY OUTLINING ITS OBJECTIONS.
END SUMMARY.

2. AT MEETING JULY 5, GROUP B DISCUSSED AGAIN AGREEING TO
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SOME "INTERMEDIATE" SOLUTION TO THE IMMEDIATE QUESTION

OF THE FINANCING OF THE GROUP OF 77 PREPARATORY MEETING FOR THE SUBSEQUENT MEXICO G-77 CONFERENCE. DESPITE STRONG OPPOSITION BY UK, US, AUSTRALIA AND CANADA, GROUP B COULD NOT AGREE TO OPENLY OPPOSE THE FINDING OF SOME "INTERMEDIATE" SOLUTION. FRG AND NORDICS, PRINCIPALLY, FELT THAT RESOLUTION 92 (IV) AND AGREEMENT TO THE FINANCING IMPLICATION STATEMENT CONTAINED IN L-117 ADD.1 (AS AMENDED AT LAST MINUTE) CONSTITUTED A DEGREE OF COMMITMENT TO G-77 TO FIND A WAY TO FINANCE THE PREPARATORY MEETING AND THAT ANY FALL-BACK FROM THAT COMMITMENT WOULD BE INTERPRETED BY THE G-77 AS AN ACT OF BAD FAITH. THERE WAS NO QUESTIONING OF THE OVERALL PRINCIPLE THAT UN REGULAR GUDGET FUNDED MEETINGS SHOULD BE OPEN TO ALL AND NOT LIMITED TO THE BENEFIT OF ONE GEOGRAPHIC GROUP. IT WAS AGREED THAT THE PRINCIPLE WOULD BE COMMUNICATED TO THE UNCTAD SYG IN A LETTER TO AVOID ANY MISUNDERSTANDING.

3. WHILE A DRAFTING GROUP OF GROUP B WAS PLACING GINAL TOUCHES ON THE LETTER, IT WAS LEARNED THAT THE SYG PLANNED TO PROCEED WITH THE FUNDING OF THE PREPARATORY MEETING FROM EXISTING REGULAR BUDGET FUNDS, THUS OBTAINING GROUP B HAVING TO COME TO SOME DECISION FOR OR AGAINST THE INTERMEDIATE SOLUTION. THE TEXT OF THE LETTER WAS MODIFIED TO INDICATE THAT SHOULD THE SYG PROCEED IN THIS MANNER HE SHOULD BEAR IN MIND THE GROUP B'S POSITION. THE TEXT OF THE LETTER AGREED BY THE SMALL DRAFTING GROUP, BARRING ANY LAST MINUTE DISAGREEMENTS, WILL BE FORWARDED TO THE SYG TODAY (JULY 6). THE TEXT READS:

QUOTE

DEAR MR. COREA

IN THE DISCUSSION OF AGENDA ITEM 14 - ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES - AT NAIROBI IT BECAME APPARENT THAT THE FINANCIAL IMPLICATIONS OF THE DRAFT RESOLUTION IN DOCUMENT TD/L 117 COULD NOT BE DECIDED BY THE CONFERENCE ITSELF SINCE THE PROVISION OF LIMITED OFFICIAL USE

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BUDGETARY AND OTHER RESOURCES FOR THE PREPARATORY MEETING IN GENEVA FOR THE GROUP OF 77'S MEETING IN MEXICO CITY AND TO SOME EXTENT FOR THE LATTER MEETING ITSELF, RAISED SUBSTANTIAL ISSUES OF PRINCIPLE. THE CONFERENCE ACCORDINGLY DECIDED THAT CONSULTATIONS BETWEEN THE REGIONAL GROUPS WERE NECESSARY. AS YOU KNOW THESE CONSULTATIONS HAVE BEGUN BUT IT HAS NOT BEEN POSSIBLE TO BRING THEM TO A CONCLUSION BECAUSE CERTAIN

OF THE ISSUES OF PRINCIPLE HAVE NOT SO FAR BEEN RESOLVED BY CONSENSUS. IN THESE CIRCUMSTANCES THE MEMBER COUNTRIES OF GROUP B THINK IT WOULD BE BOTH NECESSARY AND HELPFUL TO SET OUT THEIR VIEWS ON THE MATTER BEFORE THE PREPARATORY MEETING TAKES PLACE. IT IS THE GROUP'S HOPE THAT THIS WILL FACILITATE THE ACHIEVEMENT OF A CONSENSUS WHICH WOULD IN ITS TURN ENABLE YOU YOURSELF TO SEE CLEARLY WHAT COURSE TO TAKE.

IN THE VIEW OF THE MEMBER COUNTRIES OF GROUP B THE CENTRAL GUIDING PRINCIPLE MUST BE THAT ANY PAYMENTS MADE OUT OF THE REGULAR BUDGET OF ANY INTERNATIONAL ORGANISATION MUST BE SUPPORTED BY A CLEAR AND SATISFACTORY BUDGET AUTHORISATION. GROUP B COULD NOT AT NAIROBI AND CANNOT NOW AGREE THAT GA RESOLUTION 3362 (S VII) EMBODIES ANY BLANKET AUTHORITY TO DISPENSE BUDGETARY FUNDS ON MEASURES OF SUPPORT AND ASSISTANCE TO DEVELOPING COUNTRIES IN STRENGTHENING AND ENLARGING THEIR MUTUAL CO-OPERATION. I SHOULD LIKE TO MAKE IT QUITE CLEAR THAT THE GROUP WHOLLY ENDORSES THE PRINCIPLE OF SUPPORT AND ASSISTANCE IN THIS CONTEXT BUT IT SEEMS NOT ONLY OBVIOUS BUT ESSENTIAL THAT THIS PRINCIPLE NEEDS TO BE PUT INTO EFFECT BY THE DECISION MAKING MACHINERY OF EACH OF THE ORGANISATIONS OF THE UNITED NATIONS SYSTEM CONCERNED IN ACCORDANCE WITH THEIR RESPECTIVE ESTABLISHED PROCEDURES. IN THE CASE OF UNCTAD WE CONSIDER THAT THIS MEANS THAT SUCH MEASURES SHOULD RECEIVE THE APPROVAL OF THE CONFERENCE OR TRADE AND DEVELOPMENT BOARD AND THAT THEY SHOULD THEN BE PROCESSED IN THE REGULAR WAY THROUGH THE EXISTING MACHINERY OF THE UNITED NATIONS.

THE PROGRAMME BUDGET FOR UNCTAD FOR THE BIENNIAL 1976-77 DOES NOT IN THE VIEW OF THE MEMBERS OF THE GROUP PROVIDE FOR THE SITUATION OF THE MEETING OF THE GROUP OF 77 IN MEXICO CITY. THIS MEETING DOES NOT

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FIGURE ON THE CALENDAR OF MEETINGS AS APPROVED BY THE TRADE AND DEVELOPMENT BOARD NOR IS THERE ANY PROVISION FOR IT IN THE BUDGET. THIS HAS BEEN CONFIRMED TO US BY YOUR BUDGETARY OFFICER.

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INFO OCT-01 IO-13 ISO-00 AF-08 ARA-06 EA-07 EUR-12 NEA-10

L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06 AGR-05 AID-05

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WE NOTE ALSO THAT OFFICIAL MEETINGS OF UN BODIES, THAT IS FULLY SERVICED MEETINGS AS DISTINCT FROM NORMAL GROUP CONSULTATIONS, MUST COMPLY WITH THE PROVISIONS OF UNGA RES. 3491 (XXX) AND 3351 (XXX) ON THE SCHEDULES. THE VIEW HAS BEEN ADVANCED THAT THE PREPARATORY MEETING OF THE GROUP OF 77 IN JULY COULD BE DEEMED TO FALL WITHIN THE BUDGETARY SUB-HEAD COVERING PROVISION OF FACILITIES FOR NORMAL REGIONAL GROUP CONSULTATIONS. IF ANY EXPENSES WERE TO BE INCURRED ON THE BASIS OF THIS VIEW IT IS IMPORTANT TO NOTE THAT THE SUB-HEAD IN QUESTION PROVIDES ONLY FOR THE FINANCING OF SUCH BASIC SERVICES AS PROVISION OF CONFERENCE ROOMS AND INTERPRETATION. IT IS NOT OUR UNDERSTANDING THAT THE SUB-HEAD COULD BE CONSIDERED TO COVER SUCH SERVICES AS DOCUMENTATION, REPORTS OR THE ATTENDANCE OF SUBSTANTIVE STAFF. LOKEWISE IT WOULD OF COURSE BE ESSENTIAL THAT SUFFICIENT FUNDS SHOULD REMAIN UNDER THE SUB-HEAD FOR THE BALANCE OF THE BIENNIUM. IN THIS CONTEXT THE GROUP NOTES THAT AN INTENSIVE PROGRAMME OF UNCTAD MEETINGS IS EXPECTED BETWEEN SEPTEMBER 1976 AND THE END OF THE BIENNIUM WHICH WILL NO DOUBT REQUIRE A LARGE NUMBER OF REGIONAL GROUP MEETINGS.

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IT SEEMS TO US IMPORTANT THAT YOU SHOULD BE AWARE OF THE BACKGROUND AS THE MEMBERS OF GROUP B SEE IT AND OUR VIEWS ON THE PRINCIPLES INVOLVED.

IN PARALLEL WITH OUR CONSIDERATION OF THE IMMEDIATE QUESTION THE MEMBERS OF GROUP B HAVE OF COURSE NOT LOST

SIGHT OF THE SIDER ISSUES FOR THE FUTURE WHICH ARISE OVER THE INTERPRETATION OF PARAGRAPH 1 OF SECTION VI OF GA RSOLUTION 3362 (S VII). ASYOU MAY KNOW, THE CURRENT CONSULTATIONS HAVE TO SOME EXTENT COVERED THIS WIDER ASPECT BY ATTEMPTS TO DEFINE THE VALUE AND SCOPE OF FUTURE SUPPORT ACTIONS. THE QUESTIONS WHICH THIS GROUP HAS PUT TO OUR FRIENDS OF THE GROUP OF 77 HAVE BEEN FORMULATED IN THE HOPE THAT WE CAN ESTABLISH A FRAMEWORK WITHIN WHICH THIS PART OF RWSOLUTION 3362 MIGHT BE APPLIED IN UNCTAD IN THE FUTURE. IT WILL, OF COURSE, BE NECESSARY TO DISCUSS THIS FURTHER AT THE TRADE AND DEVELOPMENT BOARD IN THE AUTUMN. SUBJECT TO WHAT MAY EMERGE IN THE COURSE OF THIS CONSIDERATION BY THE BOARD WE HAVE THOUGHT IT USEFUL TO ADVANCE THE VIEW THAT FUTURE SUPPORT AND ASSISTANCE TO DEVELOPING COUNTRIES IN THE UNCTAD CONTEXT SHOULD BE GUIDED BY, INTER ALIA, THE FOLLOWING PRINCIPLES:

(A) THAT EARLY INFORMATION MUST BE MADE AVAILABLE AS TO THE SCALE AND SCOPE OF ACTIVITIES INCLUDING MEETINGS PLANNED BY THE DEVELOPING COUNTRIES OVER THE MEDIUM TERM.

(B) THAT THERE MUST BE REGULAR CONSULTATION TO RESOLVE INTER-GROUP ISSUES.

(D) THAT THE GROUP OF 77 SHOULD BE PREPARED IN THE SPIRIT OF COLLECTIVE SELF-RELIANCE TO MAKE AN APPROPRIATE CONTRIBUTION TO COSTS OF ACTIVITIES UNDERTAKEN UNDER THE UMBRELLA OF RESOLUTION 3362.

(D) THAT THERE MUST BE PROVISION FOR APPROPRIATE PARTICIPATION OF OTHER REGIONAL GROUPS AND FULL INFORMATION AND DOCUMENTATION TO MEMBERS OF ANY MEETINGS FUNDED FROM THE REGULAR BUDGET.

IT IS THE GROUP'S INTENTION TO RAISE THE GENERAL ISSUES DISCUSSED ABOVE IN THE APPROPRIATE ORGANS OF THE UNITED NATIONS IN NEW YORK. MEANWHILE THE GROUP'S VIEW WOULD BE THAT SHOULD ANY FURTHER MEETINGS BE CONTEMPLATED EXCLUSIVELY IN SUPPORT OF ANY ONE REGIONAL LIMITED OFFICIAL USE

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GROUP THE ABOVE PRINCIPLES MUST APPLY. THE GROUP'S CONCERN IN THIS REGARD IS IN PART A CONSEQUENCE OF THE UNFORTUNATE DEVELOPMENT WHICH HAS BEEN OBSERVED OVER THE PAST YEAR OR TWO WHEREBY CONSIDERABLE INROADS HAVE BEEN MADE ON THE TIME OF SUBSTANTIVE STAFF AND SUBSTANTIAL TRAVEL EXPENSES INCURRED IN THE ATTENDANCE OF STAFF AT SUCH EXCLUSIVE MEETINGS OF REGIONAL GROUPS AS THE MINISTERIAL MEETING OF THE GROUP OF 77 AT MANILA EARLIER THIS YEAR. THESE ARE MATTERS ON WHICH GROUP B FEELS IT WOULD BE USEFUL TO HAVE A FULL DISCUSSION AT THE MEETING OF THE TRADE AND DEVELOPMENT BOARD IN THE AUTUMN. THE MEMBERS OF GROUP B HOPE THAT THIS EXPLANATION

OF THEIR VIEWS AND OF THE PRINCIPLES TO WHICH THEY HOLD IN
THESE MATTERS WILL FACILITATE A RESUMPTION AND CONCLUSION
ON A BASIS SATISFACTORY TO ALL OF THE PRESENT CONSULTATIONS
BETWEEN REGIONAL GROUPS. WE WOULD WISH TO ASSURE YOU THAT
WE INTEND TO PURSUE SUCH CONSULTATIONS IN THE SAME SPIRIT
OF CO-OPERATION AND UNDERSTANDING IN WHICH RESOLUTION
92 (IV) WAS NEGOTIATED AT NAIROBI. SHOULD IT NOT PROVE
POSSIBLE TO REACH CONSENSUS, THEN IN TAKING ANY DECISION
TO PROVIDE FUNDS FOR THE TWO MEETINGS IN QUESTION,
IT SEEMS TO US TO BE IMPORTANT THAT YOU BE AWARE OF THE
VIEWS OF THE MEMBERS OF GROUP B.

IN THE GROUP'S VIEW SUPPORT AND ASSISTANCE TO DE-
VELOPING COUNTRIES IN STRENGTHENING THEIR CO-OPERATION
IS A PARTICULARLY FRUITFUL FIELD FOR JOINT ENDEAVOUR.
IN ORDER TO ACHIEVE THIS HARMONIOUS JOINT ENDEAVOUR,
HOWEVER, YOU WILL UNDERSTAND THE NEED TO DEFINE
CLEARLY THE KIND OF ACTION WHICH UNCTAD COULD AND SHOULD
UNDERTAKE IN SUPPORT OF THE DEVELOPING COUNTRIES' OWN
EFFORTS IN THIS AREA.

I HAVE TAKEN THE LIBERTY OF COPYING THIS LETTER TO
THE CO-ORDINATORS OF THE OTHER REGIONAL GROUPS AND TO
THE REPRESENTATIVE OF CHINA.
YOURS SINCERELY

UNQUOTE.ABRAMS

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